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# COVID-19 BUSINESS RESPONSE GUIDE

FOR BUSINESS, SELF-EMPLOYED, EMPLOYEES AND NONPROFITS



The Los Angeles Regional Small Business Development Center Network is funded through a cooperative agreement with the U.S. Small Business Administration and through a grant with the Governor's Office of Business and Economic Development. Funding is not an endorsement of any product, opinion, or service.



# COVID-19 Business Resource Guide For Business, Nonprofits, Self-Employed and Employees

Our thoughts are with all who have been impacted by the recent outbreak of COVID-19. As business owners and leaders it is important to remain informed and prepared as this outbreak continues to impact our local and global communities. The Economic Development Collaborative has compiled a list of resources now available for employers, non-profits, self-employed individuals and employees who have been impacted by COVID-19.

[BUSINESS RESOURCES AND ASSISTANCE CLICK HERE](#)

[SELF-EMPLOYED RESOURCES AND ASSISTANCE CLICK HERE](#)

[EMPLOYEE RESOURCES AND ASSISTANCE CLICK HERE](#)

[NONPROFIT RESOURCES AND ASSISTANCE CLICK HERE](#)

## **PUBLIC HEALTH ORDERS FOR THE STATE OF CALIFORNIA- ACTIVE UNTIL FURTHER NOTICE**

Governor Newsom indicates California will be prepared to move into the early phase of Stage 2 of reopening this Friday, May 8. Stage 2 allows gradual reopening of lower-risk workplaces with adaptations including bookstores, clothing stores, florists and sporting goods stores, with modifications. For more information please visit [Ca.Gov](#). The Executive Department of the State of California has issued a "[Shelter in Place](#)" Order. The order allows for businesses that are among "[critical infrastructure sectors](#)" to remain open. Governor Newsom released six indicators that are intended to help modify the stay at home order and guide the state towards reopening. Note: no timeline for reopening certain industry sectors has been announced. More information can be [found here](#).

## **PUBLIC HEALTH ORDERS FOR VENTURA COUNTY- ACTIVE UNTIL FURTHER NOTICE**

The Ventura County Public Health Department has issued a "[Stay Well at Home](#)" order. We encourage all citizens to adhere to this directive. **[Business questions? Call Covid Business Compliance \(805\)-202-1805 or email \[covidcompliance@ventura.org\]\(mailto:covidcompliance@ventura.org\)](#)**

## **PUBLIC HEALTH ORDERS FOR SANTA BARBARA COUNTY- ACTIVE UNTIL FURTHER NOTICE**

The Santa Barbara County Public Health Department has issued a "[Stay at Home](#)" order. We encourage all citizens to adhere to this directive.

## **STAY INFORMED**

VC Emergency  
<http://www.vcemergency.com/>

County of Santa Barbara  
<https://www.countyofsb.org/>

California Department of Public Health <https://www.cdph.ca.gov/>

California Governor's Office of Business and Economic Development  
<https://business.ca.gov/coronavirus-2019/>

Centers for Disease Control and Prevention  
<https://www.cdc.gov/coronavirus/2019-nCoV/index.html>



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## BUSINESS RESOURCES AND ASSISTANCE

### IMMEDIATE STEPS TO TAKE

As the spread and impact of COVID-19 is still an unknown, EDC recommends employers to take the following action steps:

- 1. CONTACT YOUR INSURANCE PROVIDER-** Do you have business interruption insurance? If so, you may have coverage that supplements any income or sales loss during this time. Note: In response to numerous complaints from businesses, public officials, and other stakeholders, on Tuesday, April 14th the California Insurance Commissioner required companies to comply with their contracts and California law by fairly investigating all business interruption claims caused by COVID-19 – just as they would for any disaster. If you have business disruption insurance we encourage you to connect with you provider and file a claim. For more information, please call 800.927.4357 or visit [insurance.ca.gov](https://insurance.ca.gov).
- 2. CONNECT WITH YOUR LANDLORD-** Are you currently renting? On March 27th, Governor Newsom issued [Executive Order N-37-20](#) implementing a statewide eviction moratorium on evictions through May 31st. If you are currently renting and unable to pay rent due to financial hardship and the impact of COVID-19, we encourage you to inform your landlord by completing a [Notice of Coronavirus-Related Inability to Pay Rent](#) in order to preserve your rights as a tenant. For more information on Covid-19 moratorium related eviction guidelines in Ventura and Santa Barbara County please visit this [website](#).
- 3. APPLY FOR UNEMPLOYMENT-** If you have lost hours or wages due to the impact of COVID-19, we encourage you to file for unemployment benefits. Note: Pandemic Unemployment Assistance is now available for Self-Employed Individuals. Apply for unemployment [here](#).
- 4. TRACK LOSSES-** During moments of disruption it is important to track any loss your business may have incurred as programs designed to assist cash flow needs and access to capital depend on accurate counts of economic injury and production loss.
- 5. REVIEW YOUR SUPPLY CHAIN. HAS YOUR BUSINESS EXPERIENCED DISRUPTION OR CONCERN IN THE FOLLOWING AREAS?**
  - Supply chain disruption and liability
  - Questions or concerns about the implications of tariffs
  - Technology plans for setting up remote work stations for employees
  - Concerns about cash flow during disruption
  - Concerns about credit and finance issues
  - Concerns about force majeure

### NO-COST EXPERT BUSINESS CONSULTING

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#### BUSINESS CONSULTING

EDC SBDC offers no-cost business consulting in every area of business need. **Please call our Business Resource Hotline to schedule an appointment 805.409.9159.**

### EDD PROGRAMS AND BENEFITS

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#### WORK SHARING PROGRAM

This EDD program allows employers to seek an alternative to layoffs - retaining their trained employees by reducing their hours and wages that can be partially offset with UI benefits. Visit the [Work Sharing Program](#) to learn more about its benefits for employers and employees, and how to apply.

## UNEMPLOYMENT BENEFITS

If you have lost hours or wages due to the impact of COVID-19, we encourage you to file for unemployment benefits. The CARES Act increases the premium over the usual rates of unemployment insurance and extends the length of unemployment benefit terms. The Act provides an additional \$600 increase over an applicant's approved weekly benefit through July 31, 2020. Additionally, unemployment benefits have been extended for a period of 39 weeks. Apply for unemployment [here](#). **Update: Pandemic Unemployment Assistance has now been extended to all self-employed individuals. For more information about turnaround times and payments [click here](#).**

## PAID FAMILY LEAVE EMPLOYER REQUIREMENTS

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for reasons related to COVID-19 beginning April 1, 2020 through December 31, 2020. For more information visit the Department of Labor's [website](#). More questions? Visit the [Department of Labor's Q&A page](#).

## TAX FILING EXTENSIONS

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### PAYROLL TAX FILING EXTENSION

Current provision allows employers statewide directly affected by COVID-19 may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit payroll taxes without penalty or interest. For more information please visit [EDD website](#). **NOTE: The CARES act allows businesses to delay the payment of 2020 payroll taxes until 2021 and 2022. More information to follow.**

### STATE EXTENSION FILING PERSONAL AND BUSINESS TAXES

The Franchise Tax Board announced special tax relief for California taxpayers affected by the COVID-19 pandemic. Affected taxpayers are granted an extension to file 2019 California tax returns and make certain payments to June 15, 2020, for all tax filings and payments due between March 15, 2020, through June 15, 2020. For more information please visit the [Franchise Tax Board website](#).

### FEDERAL EXTENSION FILING PERSONAL AND BUSINESS TAXES

Taxpayers can defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax. Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief. For more information please visit the [IRS website](#).

## MORTGAGE PAYMENT GRACE PERIOD

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### 90 DAY GRACE PERIOD FOR MORTGAGE PAYMENTS

Governor Newsom has announced a grace period for mortgage payments. Financial institutions will offer, consistent with applicable guidelines, mortgage payment forbearances of up to 90 days to borrowers economically impacted by COVID-19. For more information, please visit this [link](#).

## BUSINESS DISRUPTION LOANS

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### SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

**Note: With the additional funding provided by the new COVID-19 relief package, SBA will resume processing EIDL Loan and Advance applications that are already in the queue on a first come, first-served basis. Note: as of May 4, 2020, the SBA has opened**

### **the application portal for Agricultural Businesses only.**

The U.S. Small Business Administration offers low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Under the CARES act, the existing loan has been expanded. Key features include:

- Up to \$2,000,000, up to 30 year terms, 2.75% for nonprofits, 3.75% for all other businesses, including independent contractors, self-employed.
- No restrictions on types of nonprofit firms eligible (though final guidance pending).
- Waives personal guarantees and requirement for at least one year in business for applications for less than \$200,000
- Includes provision for an up-front payment of up to a \$10,000 grant for successful applicants.

Applicants may apply [online](#). Applicants may also call (800) 659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX7615. Note: The SBA has implemented automatic deferment on existing SBA Disaster Loans through the end of 2020. If you have automatic loan payments set up with the SBA you must contact SBA to request deferment.

### **PAYCHECK PROTECTION PROGRAM (PPP)**

This SBA loan program may be accessed through any bank that currently issues SBA 7a guarantee loans. Check with your local bank to see if they are an approved lender. The new loan program will be available retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020. **NOTE: For more information please visit the [SBA website](#).**

#### **KEY FEATURES OF PPP:**

1. Eligible businesses: All small businesses, including nonprofits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries
2. Maximum loan amount up to \$10million
3. Loan will be fully forgiven if proceeds are used for payroll costs and other designated business operating expenses in the 8 weeks following the date of loan origination
4. All loans under this program will have the following identical features:
  - Interest rate of 1%
  - Maturity of 2 years
  - First payment deferred for six months
  - 100% guarantee by SBA
  - No collateral
  - No personal guarantees
  - No borrower or lender fees payable to SBA

### **EDC DISASTER LOAN FUND**

In addition to our traditional EDC loan funds, EDC is offering 4.25% interest loans from \$5,000-\$50,000 through our Disaster Loan Fund to give a cash flow boost to businesses impacted by reduced sales, supply chain disruption or other challenges related to COVID-19. This is a 48-month loan, with interest-only payments for the first three months. Call 805.409.9159 for more information.

### **WOMEN'S ECONOMIC VENTURES (WEV) QUICK RESPONSE LOAN**

WEV'S Quick Response Loan is designed to provide financial support to businesses experiencing economic hardship. Loans of up to \$10,000, with a 4.5% fixed interest rate and 36 month repayment term are available to eligible businesses. Visit [WEV's](#) website for more information.

## ADDITIONAL RESOURCES FOR EMPLOYERS

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### CA Governor's Office of Business and Economic Development COVID-19 Business Resources

The California's Governor's Office of Business and Economic Development has released information on their website for employees and employers impacted by COVID-19. Visit their [website](#) for more information.

### SBA COVID-19 BUSINESS GUIDE

The SBA has released a comprehensive guide to help businesses plan and respond to the current COVID-19 threat. Visit the [SBA website](#) for more information.

## RECOMENDATIONS FOR EMPLOYERS TO TAKE NOW

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**Note: This information is not intended to be used as medical advice. Please contact your local health professional or visit the [CDC website](#) for further information.**

### Actively encourage sick employees to stay home:

Employees who have symptoms of acute respiratory illness are recommended to stay home and not come to work until they are free of fever (100.4° F [37.8° C] or greater using an oral thermometer), signs of a fever, and any other symptoms for at least 24 hours, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants).

Employees should notify their supervisor and stay home if they are sick.

Ensure that your sick leave policies are flexible and consistent with public health guidance and that employees are aware of these policies.

Talk with companies that provide your business with contract or temporary employees about the importance of sick employees staying home and encourage them to develop non-punitive leave policies.

Do not require a healthcare provider's note for employees who are sick with acute respiratory illness to validate their illness or to return to work, as healthcare provider offices and medical facilities may be extremely busy and not able to provide such documentation in a timely way.

Employers should maintain flexible policies that permit employees to stay home to care for a sick family member. Employers should be aware that more employees may need to stay at home to care for sick children or other sick family members than is usual.

### Separate sick employees:

CDC recommends that employees who appear to have acute respiratory illness symptoms (i.e. cough, shortness of breath) upon arrival to work or become sick during the day should be separated from other employees and be sent home immediately. Sick employees should cover their noses and mouths with a tissue when coughing or sneezing (or an elbow or shoulder if no tissue is available).

### Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees:

Place posters that encourage [staying home when sick, cough and sneeze etiquette](#), and [hand hygiene](#) at the entrance to your workplace and in other workplace areas where they are likely to be seen.

Provide tissues and no-touch disposal receptacles for use by employees.

Instruct employees to clean their hands often with an alcohol-based hand sanitizer that contains at least 60-95% alcohol, or wash their hands with soap and water for at least 20 seconds. Soap and water should be used preferentially if hands are visibly dirty.

Provide soap and water and alcohol-based hand rubs in the workplace. Ensure that adequate

supplies are maintained. Place hand rubs in multiple locations or in conference rooms to encourage hand hygiene. Visit the [coughing and sneezing etiquette](#) and [clean hands webpage](#) for more information.

**Perform routine environmental cleaning:**

Routinely clean all frequently touched surfaces in the workplace, such as workstations, countertops, and doorknobs. Use the cleaning agents that are usually used in these areas and follow the directions on the label.

No additional disinfection beyond routine cleaning is recommended at this time. Provide disposable wipes so that commonly used surfaces (for example, doorknobs, keyboards, remote controls, desks) can be wiped down by employees before each use.

**Advise employees before traveling to take certain steps:**

Check the [CDC's Traveler's Health Notices](#) for the latest guidance and recommendations for each country to which you will travel. Specific travel information for travelers going to and returning from China, and information for aircrew, can be found at on the [CDC website](#). Advise employees to check themselves for symptoms of [acute respiratory illness](#) before starting travel and notify their supervisor and stay home if they are sick.

Ensure employees who become sick while traveling or on temporary assignment understand that they should notify their supervisor and should promptly call a healthcare provider for advice if needed.

If outside the United States, sick employees should follow your company's policy for obtaining medical care or contact a healthcare provider or overseas medical assistance company to assist them with finding an appropriate healthcare provider in that country. A U.S. consular officer can help locate healthcare services. However, U.S. embassies, consulates, and military facilities do not have the legal authority, capability, and resources to evacuate or give medicines, vaccines, or medical care to private U.S. citizens overseas.

## SELF-EMPLOYED RESOURCES AND ASSISTANCE

### IMMEDIATE STEPS TO TAKE

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### EDD PROGRAMS AND BENEFITS

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#### UNEMPLOYMENT BENEFITS FOR SELF-EMPLOYED INDIVIDUALS

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an additional \$600 increase over an applicant's approved weekly benefit through July 31, 2020. Additionally, unemployment benefits have been extended for a period of 39 weeks. Apply for unemployment [here](#). **Update: Pandemic Unemployment Assistance has now been extended to all self-employed individuals. For more information about turnaround times and payments [click here](#).**

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**Note: With the additional funding provided by the new COVID-19 relief package, SBA will resume processing EIDL Loan and Advance applications that are already in the queue on a first come, first-served basis. Note: as of May 4, 2020, the SBA has opened the application portal for Agricultural Businesses only.**

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2. Maximum loan amount up to \$10million
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## RESOURCES AND ASSISTANCE FOR EMPLOYEES

### IMMEDIATE STEPS TO TAKE

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- 1. APPLY FOR UNEMPLOYMENT-** If you have lost hours or wages due to the impact of COVID-19, we encourage you to file for unemployment benefits. Apply for unemployment [here](#). **NOTE:** Governor's Emergency Proclamations waive the non-payable one-week waiting period for regular UI benefit payments to eligible individuals affected by current disasters. This means individuals can be paid benefits for the first week they are unemployed due to the disaster. Additionally, under the CARES Act, weekly premium amounts have been increased and the period of benefits has been extended.
- 2. CONNECT WITH YOUR LANDLORD-** Are you currently renting? On March 27th, Governor Newsom issued [Executive Order N-37-20](#) implementing a statewide eviction moratorium on evictions through May 31st. If you are currently renting and unable to pay rent due to financial hardship and the impact of COVID-19, we encourage you to inform your landlord by completing a [Notice of Coronavirus-Related Inability to Pay Rent](#) in order to preserve your rights as a tenant. For more information on Covid-19 moratorium related eviction guidelines in Ventura and Santa Barbara County please visit this [website](#).

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### DISABILITY AND PAID FAMILY LEAVE

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## **GRANTS AVAILABLE FOR INDIVIDUALS**

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### **Grants Available Through the Santa Barbara Community Foundation**

The Santa Barbara Foundation, United Way of Santa Barbara County, and Hutton Parker Foundation are leading a countywide collaborative with members of the Foundation Roundtable to provide assistance to individuals and families as well as organizations actively engaged in assistance efforts for members of the community affected by the COVID-19 pandemic. [Click here](#) for more information.

## NONPROFIT RESOURCES AND ASSISTANCE

### IMMEDIATE STEPS TO TAKE

As the spread and impact of COVID-19 is still an unknown, EDC recommends employers to take the following action steps:

1. **CONTACT YOUR INSURANCE PROVIDER-** Do you have business interruption insurance? If so, you may have coverage that supplements any income or sales loss during this time. Note: In response to numerous complaints from businesses, public officials, and other stakeholders, on Tuesday, April 14th the California Insurance Commissioner required companies to comply with their contracts and California law by fairly investigating all business interruption claims caused by COVID-19 – just as they would for any disaster. If you have business disruption insurance we encourage you to connect with you provider and file a claim. For more information, please call 800.927.4357 or visit [insurance.ca.gov](http://insurance.ca.gov).
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#### BUSINESS CONSULTING

EDC SBDC offers no-cost consulting in every area of nonprofit and business need.

**Please call our Business Resource Hotline to schedule an appointment 805.409.9159.**

### EDD PROGRAMS AND BENEFITS

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#### WORK SHARING PROGRAM

This EDD program allows employers to seek an alternative to layoffs - retaining their trained employees by reducing their hours and wages that can be partially offset with UI benefits. Visit the [Work Sharing Program](#) to learn more about its benefits for employers and employees, and how to apply.

## UNEMPLOYMENT BENEFITS

**The CARES Act includes a specific section allowing nonprofits to be reimbursed for half of the costs incurred through the end of 2020 to pay unemployment benefits.**

If your employees have lost hours or wages due to the impact of COVID-19, we encourage you to file for unemployment benefits. The CARES Act increases the premium over the usual rates of unemployment insurance and extends the length of unemployment benefit terms. The Act provides an additional \$600 increase over an applicant's approved weekly benefit through July 31, 2020. Additionally, unemployment benefits have been extended for a period of 39 weeks. Temporary employees are eligible as long as they have worked at least 30 days. **Update: Pandemic Unemployment Assistance has now been extended to all self-employed individuals. For more information about turnaround times and payments [click here](#).**

Apply for unemployment [here](#).

Nonprofits fall into three categories for UI:

1. "Experience Rating" – nonprofits pay into a UI account just like other businesses, through payroll taxes incurred on each employee paycheck. When a former employee files an unemployment claim, those funds come from the UI account you have paid into.
2. "Reimbursable Method" – nonprofits do not pay into a UI account. When a former employee files an unemployment claim, the organization must reimburse the state for the full cost of unemployment benefits paid to the former employee.
3. "Special Exclusion Entities" – nonprofits that are exempt from UI, typically religious and educational organizations. For guidelines on who is excluded from required UI and SDI, click [here](#). For more information visit the [Department of Labor](#).

To find out which method your organization is using:

1. Ask your tax preparer, CPA and/or office manager
2. Your organization would have filed these two forms:
  - a. [Selection of financing method by a nonprofit organization](#)
  - b. [Nonprofit employers registration and update form](#)
3. If you see "CA SDI" on employee paystubs, you are using the "Experience Rating" method

If your organization uses the 'experience rating method' for UI and SDI, your employees can file for unemployment, claims will come out of your organization's UI account, and your UI rate may increase next year based on the number of claims from your organization.

If your organization uses the 'reimbursable method' for UI and SDI, your employees can file for unemployment, and your organization will be expected to reimburse the State for the full cost of the benefits, not including the additional \$600 increase included in the CARES act, which is paid for by the State and reimbursed by the federal government.

If your organization is excluded from UI and SDI, your employees are only eligible for Unemployment if the President declares a major disaster. Currently, California, New York and Washington have been declared a 'major disaster,' so employees of these excluded organizations should now be eligible to file for COVID-related unemployment.

Our understanding is that, regardless of your UI method, all former nonprofits employees are eligible for UI and we are encouraging your former employees to apply for UI benefits.

## PAID FAMILY LEAVE EMPLOYER REQUIREMENTS

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for reasons related to COVID-19 beginning April 1, 2020 through December 31, 2020. For more information visit the Department of Labor's [website](#). More questions?

Beginning April 1, 2020, nonprofit organizations with fewer than 500 employees are required to pay employees:

1. Their full wage, (up to \$511/day or \$5,110 total) if the employee is:
  - a. Unable to work because of a Federal, State, or local COVID-19 quarantine or isolation order;
  - b. Advised by a health care provider to self-quarantine due to concerns related to COVID-19;
  - c. Experiencing symptoms of COVID-19 and are seeking medical diagnosis
  
2. Two-thirds of their regular wage (up to \$200/day or \$2,000 total) if the employee is:
  - a. Caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or an individual who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
  - b. Caring for your child whose school or place of care is closed, or child care provider is unavailable, due to COVID-19 related reasons

## **PAYROLL, STATE AND FEDERAL TAX FILING EXTENSIONS**

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### **PAYROLL TAX FILING EXTENSION**

Current provision allows employers statewide directly affected by COVID-19 may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit payroll taxes without penalty or interest. For more information please visit EDD website. NOTE: The CARES act allows businesses to delay the payment of 2020 payroll taxes until 2021 and 2022. More information to follow.

### **STATE EXTENSION FILING PERSONAL AND BUSINESS TAXES**

The Franchise Tax Board announced special tax relief for California taxpayers affected by the COVID-19 pandemic. Affected taxpayers are granted an extension to file 2019 California tax returns and make certain payments to June 15, 2020, for all tax filings and payments due between March 15, 2020, through June 15, 2020. For more information please visit the [Franchise Tax Board website](#).

Form 199, originally due May 15, 2020, is now due July 15, 2020. Nonprofits can also file an extension, making the 199 due on November 16, 2020.

Form 100, originally due April 15, 2020, is now due July 15, 2020. Nonprofits can also file an extension, making the 199 due on November 16, 2020.

**For more information, visit the [Franchise Tax Board, Business Due Dates website](#).**

### **FEDERAL EXTENSION FILING PERSONAL AND BUSINESS TAXES**

Taxpayers can defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax. Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief. For more information please visit the [IRS website](#).

**NOTE: Most organizations file their Federal Form 990s on May 15, 2020. As of the publication of this guide, 990s are still due on May 15, 2020. Nonprofits can always file for a 6-month extension. More information on the [IRS website](#).**

## **MORTGAGE PAYMENT GRACE PERIOD**

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### **90 DAY GRACE PERIOD FOR MORTGAGE PAYMENTS**

Governor Newsom has announced a grace period for mortgage payments. Financial institutions will offer, consistent with applicable guidelines, mortgage payment forbearances of up to 90 days to borrowers economically impacted by COVID-19. For more information, please visit this [link](#).

## BUSINESS DISRUPTION LOANS

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### SBA ECONOMIC INJURY DISASTER LOANS (EIDL)

**Note: With the additional funding provided by the new COVID-19 relief package, SBA will resume processing EIDL Loan and Advance applications that are already in the queue on a first come, first-served basis. Note: as of May 4, 2020, the SBA has opened the application portal for Agricultural Businesses only.**

The U.S. Small Business Administration offers low-interest federal disaster loans for working capital to nonprofits suffering substantial economic injury as a result of the Coronavirus (COVID-19). Under the CARES act, the existing loan has been expanded. Key features include:

- Up to \$2,000,000, up to 30 year terms, 2.75% for nonprofits.
- Currently available to 501(c)(3), (c)(4), (c)(5), and (c)(6) with 500 or fewer employees
- Faith-based organizations, regardless of whether they provide secular social services, may also apply for EIDL.  
NOTE: Although other regulations state that nonprofit entities are ineligible for SBA business loans (which includes the EIDL program), the CARES Act explicitly makes nonprofit entities eligible and it does so without regard to whether Nonprofit entities provide secular social services. More information [click here](#).
- Waives personal guarantees and requirement for at least one year in business for applications for less than \$200,000
- Includes provision for an up-front payment of up to a \$10,000 grant, once the application has been approved by the SBA.
- The EIDL application will ask you for the percent of ownership. Nonprofits should list 0%.

Applicants may apply [online](#). Applicants may also call (800) 659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX76155. Note: The SBA has implemented automatic deferment on existing SBA Disaster Loans through the end of 2020. If you have automatic loan payments set up with the SBA you must contact SBA to request deferment.

**PAYCHECK PROTECTION PROGRAM (PPP)** This SBA loan program may be accessed through any bank that currently issues SBA 7a guarantee loans. Check with your local bank to see if they are an approved lender. The new loan program will be available retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020. **NOTE: For more information please visit the [SBA website](#).**

#### KEY FEATURES OF PPP:

1. Eligible nonprofits: Currently 501(c)(3) and 501(c)(19); and Tribal Business Concerns 31(b)(2)(c) with 500 or fewer employees (The 500-employee threshold includes all employees: full-time, part-time, and any other status), or no greater than the number of employees set by the SBA as the size standard for certain industries
2. Faith-based organizations, regardless of whether they provide secular social services, may also apply for PPP. Although other regulations state that nonprofit entities are ineligible for SBA business loans (which includes the PPP program), the CARES Act explicitly makes nonprofit entities eligible for the PPP program and it does so without regard to whether nonprofit entities provide secular social services. For more information [click here](#).
3. Maximum loan amount up to \$10 million
4. Loan will be fully forgiven if proceeds are used for payroll costs and other designated business



operating expenses in the 8 weeks following the date of loan origination

5. All loans under this program will have the following identical features:
  - o Interest rate of 1%
  - o Maturity of 2 years
  - o First payment deferred for six months
  - o 100% guarantee by SBA
  - o No collateral
  - o No personal guarantees
  - o No borrower or lender fees payable to SBA

## GRANTS AVAILABLE FOR NONPROFITS

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### Grants Available Through the Santa Barbara Community Foundation

Santa Barbara Foundation and Hutton Parker Foundation will provide grants up to \$25,000 to nonprofit organizations serving all regions of Santa Barbara County. [Click here](#) for more information.

## RECOMENDATIONS FOR EMPLOYERS TO TAKE NOW

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**Note: This information is not intended to be used as medical advice. Please contact your local health professional or visit the [CDC website](#) for further information.**

### Actively encourage sick employees to stay home:

Employees who have symptoms of acute respiratory illness are recommended to stay home and not come to work until they are free of fever (100.4° F [37.8° C] or greater using an oral thermometer), signs of a fever, and any other symptoms for at least 24 hours, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants).

Employees should notify their supervisor and stay home if they are sick.

Ensure that your sick leave policies are flexible and consistent with public health guidance and that employees are aware of these policies.

Talk with companies that provide your business with contract or temporary employees about the importance of sick employees staying home and encourage them to develop non-punitive leave policies.

Do not require a healthcare provider's note for employees who are sick with acute respiratory illness to validate their illness or to return to work, as healthcare provider offices and medical facilities may be extremely busy and not able to provide such documentation in all timely way.

Employers should maintain flexible policies that permit employees to stay home to care for a sick family member. Employers should be aware that more employees may need to stay at home to care for sick children or other sick family members than is usual.

### Separate sick employees:

CDC recommends that employees who appear to have acute respiratory illness symptoms (i.e. cough, shortness of breath) upon arrival to work or become sick during the day should be separated from other employees and be sent home immediately. Sick employees should cover their noses and mouths with a tissue when coughing or sneezing (or an elbow or shoulder if no tissue is available).

### Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees:

Place posters that encourage [staying home when sick, cough and sneeze etiquette](#), and [hand hygiene](#) at the entrance to your workplace and in other workplace areas where they are likely to

be seen.

Provide tissues and no-touch disposal receptacles for use by employees.

Instruct employees to clean their hands often with an alcohol-based hand sanitizer that contains at least 60-95% alcohol, or wash their hands with soap and water for at least 20 seconds. Soap and water should be used preferentially if hands are visibly dirty.

Provide soap and water and alcohol-based hand rubs in the workplace. Ensure that adequate supplies are maintained. Place hand rubs in multiple locations or in conference rooms to encourage hand hygiene. Visit the [coughing and sneezing etiquette](#) and [clean hands webpage](#) for more information.

### **Perform routine environmental cleaning:**

Routinely clean all frequently touched surfaces in the workplace, such as workstations, countertops, and doorknobs. Use the cleaning agents that are usually used in these areas and follow the directions on the label.

No additional disinfection beyond routine cleaning is recommended at this time. Provide disposable wipes so that commonly used surfaces (for example, doorknobs, keyboards, remote controls, desks) can be wiped down by employees before each use.

### **Advise employees before traveling to take certain steps:**

Check the [CDC's Traveler's Health Notices](#) for the latest guidance and recommendations for each country to which you will travel. Specific travel information for travelers going to and returning from China, and information for aircrew, can be found at on the [CDC website](#). Advise employees to check themselves for symptoms of [acute respiratory illness](#) before starting travel and notify their supervisor and stay home if they are sick.

Ensure employees who become sick while traveling or on temporary assignment understand that they should notify their supervisor and should promptly call a healthcare provider for advice if needed.

If outside the United States, sick employees should follow your company's policy for obtaining medical care or contact a healthcare provider or overseas medical assistance company to assist them with finding an appropriate healthcare provider in that country. A U.S. consular officer can help locate healthcare services. However, U.S. embassies, consulates, and military facilities do not have the legal authority, capability, and resources to evacuate or give medicines, vaccines, or medical care to private U.S. citizens overseas.



U.S. Small Business  
Administration

## U.S. SMALL BUSINESS ADMINISTRATION FACT SHEET – ECONOMIC INJURY DISASTER LOANS

### CALIFORNIA Declaration #16332

(Disaster: CA-00313)

Incident: CORONAVIRUS (COVID-19)

occurring: January 31, 2020 & continuing

*All counties within the State of California;  
the contiguous Arizona counties of: **La Paz, Mohave & Yuma**;  
the contiguous Nevada counties of: **Clark, Douglas, Esmeralda, Lyon, Mineral, Nye & Washoe**;  
and the contiguous Oregon counties of: **Curry, Jackson, Josephine, Klamath & Lake***

**Application Filing Deadline: December 16, 2020**

#### Disaster Loan Assistance Available:

Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

#### Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

#### Interest Rates:

The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this disaster is 3.75 percent.

#### Loan Terms:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

#### Loan Amount Limit:

The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

#### Loan Eligibility Restrictions:

Noncompliance – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA loans.

**Note:** Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.

#### Refinancing:

Economic injury disaster loans cannot be used to refinance long term debts.

#### Insurance Requirements:

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of 1) the total of the disaster loan, 2) the insurable value of the property, or 3) the maximum insurance available.

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.



## ECONOMIC INJURY DISASTER LOAN AND PAYCHECK PROTECTION PROGRAM OVERVIEW

### PROGRAM

#### DESCRIPTION

##### **Economic Injury Disaster Loan (EIDL)**

EIDL program provides small businesses with working capital loans of up to \$2 million. This loan provides an emergency advance of up to \$10,000 within three days of applying. To access the advance, you first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance.

##### **Paycheck Protection Program (PPP)**

The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.

#### LENDER

##### **Economic Injury Disaster Loan (EIDL)**

Small Business Administration (SBA)

##### **Paycheck Protection Program (PPP)**

Financial institutions that are approved to provide SBA 7a loans.  
Please check with your local bank.

#### PROGRAM PERIOD

##### **Economic Injury Disaster Loan (EIDL)**

January 31, 2020 – December 31, 2020

##### **Paycheck Protection Program (PPP)**

February 15, 2020 – June 30, 2020

Loan covers 8-weeks of eligible expenses within February 15, 2020 – June 30, 2020

#### ELIGIBILITY

##### **Economic Injury Disaster Loan (EIDL)**

- Businesses and nonprofits (currently 501(c)(3), (c)(4), (c)(5), and (c)(6)) with 500 or fewer employees
- Sole proprietor, independent contractor, or self-employed individual

##### **AND**

- Been in business since January 31, 2020.

##### **Paycheck Protection Program (PPP)**

- Businesses, nonprofits (currently 501(c)(3) and 501(c)(19)) and Tribal Business Concerns 31(b)(2)(c) with 500 or fewer employees (The 500-employee threshold includes all employees: full-time, part-time, and any other status)
- Sole proprietor, independent contractor, or self-employed individual
- Small business that meets the SBA small business industry-specific standards
- Operate an accommodation or food service business (NAICS Code 72) with 500 or fewer employees per location
- Business assigned a franchise operator code by SBA
- Business that receives assistance under the Small Business Investment Act

##### **AND**

- Been in business since February 15, 2020 and paid taxes on your employees or independent contractors

# PROGRAM

## AMOUNT

### Economic Injury Disaster Loan (EIDL)

The maximum loan size is \$2 million.

Applicants who apply for this loan may request an advance Emergency EIDL grant of up to \$10,000 from the SBA.

### Paycheck Protection Program (PPP)

Loans can be up to 2.5 x the borrower's average monthly payroll costs, not to exceed \$10 million.

#### How to Calculate:

1. Aggregate payroll costs (defined in detail below) from the last twelve months for employees whose principal place of residence is the United States.
2. Subtract any compensation paid to an employee in excess of an annual salary of \$100,000 and/or any amounts paid to an independent contractor or sole proprietor in excess of \$100,000 per year.
3. Calculate average monthly payroll costs (divide the amount from Step 2 by 12).
4. Multiply the average monthly payroll costs from Step 3 by 2.5.
5. Add the outstanding amount of an Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, less the amount of any "advance" under an EIDL COVID-19 loan (because it does not have to be repaid).

Seasonal business may use the period February 15, 2019 – June 30, 2019 or March 1, 2019 – June 30, 2019 to calculate the average payroll.

#### "Payroll" includes:

- Compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation
- Cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for separation or dismissal
- Payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement
- Payment of state and local taxes assessed on compensation of employees
- For an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

#### "Payroll" for businesses excludes:

- Annual salary in excess of \$100,000
- Foreign employees
- FICA and income tax withholdings
- Qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

## ELIGIBLE EXPENSES

### Economic Injury Disaster Loan (EIDL)

- Payroll costs
- Accounts payable
- Fixed debts (mortgage, rent, lease)
- Other bills

### Paycheck Protection Program (PPP)

- Payroll costs, including benefits
- Interest on mortgage obligations, incurred before February 15, 2020
- Rent, under lease agreements in force before February 15, 2020
- Utilities, for which service began before February 15, 2020

# PROGRAM

## ELIGIBLE EXPENSES

### Paycheck Protection Program (PPP) continued

**NOTE: Refer to “Payroll” definitions in the “Amount” section.**

- Payroll costs (as defined in the “Amount” section)
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Mortgage interest payments (but not mortgage prepayments or principal payments)
- Rent payments
- Utility payments
- Interest payments on any other debt obligations that were incurred before February 15, 2020
- Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020. If you received an SBA EIDL loan from January 31, 2020 16 through April 3, 2020, you can apply for a PPP loan. If your EIDL loan was not used for payroll costs, it does not affect your eligibility for a PPP loan. If your EIDL loan was used for payroll costs, your PPP loan must be used to refinance your EIDL loan. Proceeds from any advance up to \$10,000 on the EIDL loan will be deducted from the loan forgiveness amount on the PPP loan.

## RESTRICTIONS Economic Injury Disaster Loan (EIDL)

Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.

### Paycheck Protection Program (PPP)

**You are ineligible for a PPP loan if:**

- You are engaged in any activity that is illegal under federal, state, or local law
- You are a household employer (individuals who employ household employees such as nannies or housekeepers)
- An owner of 20 percent or more of the equity of the applicant is incarcerated, on probation, on parole; presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or has been convicted of a felony within the last five years
- You, or any business owned or controlled by you or any of your owners, has ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted within the last seven years and caused a loss to the government

**You may only apply for one PPP Loan.**

Your loan forgiveness will be reduced if you decrease the number of your full time and/or decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.

Re-Hiring: You have until June 30, 2020 to restore your full time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

Due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll.

## LOAN TERM DURATION

### Economic Injury Disaster Loan (EIDL)

Up to 30 years

### Paycheck Protection Program (PPP)

Up to 2 years

## INTEREST RATE

### Economic Injury Disaster Loan (EIDL)

3.75% for Businesses      2.75% for Nonprofits

### Paycheck Protection Program (PPP)

1% for Businesses and Nonprofits

# PROGRAM

## FORGIVENESS

### **Economic Injury Disaster Loan (EIDL)**

Emergency EIDL grant of up to \$10,000 can be forgiven, the remainder must be repaid.

Grant must be used for the following expenses:

- Providing paid sick leave to employees unable to work due to the direct effect of the COVID-19
- Maintaining payroll to retain employees during business disruptions or substantial slowdowns
- Meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains
- Making rent or mortgage payments, Repaying obligations that cannot be met due to revenue losses

### **Paycheck Protection Program (PPP)**

The loan amount will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained. Payroll costs are capped at \$100,000 on an annualized basis for each employee.

Your loan forgiveness will be reduced if you decrease the number of your full time and/ or decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.

Re-Hiring: You have until June 30, 2020 to restore your full time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

Due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll.

## REPAYMENT

### **Economic Injury Disaster Loan (EIDL)**

Emergency EIDL grant of up to \$10,000 can be forgiven, the remainder must be repaid.

### **Paycheck Protection Program (PPP)**

You will not have to make any payments for six months following the date of disbursement of the loan. However, interest will continue to accrue on PPP loans during this six-month deferment.

## COLLATERAL

### **Economic Injury Disaster Loan (EIDL)**

None

### **Paycheck Protection Program (PPP)**

None

## PERSONAL GUARANTEE

### **Economic Injury Disaster Loan (EIDL)**

None for loan less than \$200,000

### **Paycheck Protection Program (PPP)**

None

## PREPAYMENT PENALTIES

### **Economic Injury Disaster Loan (EIDL)**

None

### **Paycheck Protection Program (PPP)**

None

# PROGRAM

## REQUIRED DOCUMENTS

### Economic Injury Disaster Loan (EIDL)

The SBA has created a brief application as the first step toward loan approval. If approved, SBA will contact the applicant to request more information. We recommend you complete these forms in advance to be prepared.

- SBA Form 5 (5C for sole proprietors)
- SBA form P-019 (Revenue and COGS for 12 months)

### Paycheck Protection Program (PPP)

Payroll documentation

## AVAILABILITY

### Economic Injury Disaster Loan (EIDL)

Available now

### Paycheck Protection Program (PPP)

April 3, 2020, small businesses and sole proprietorships

April 10, 2020, independent contractors and self-employed individuals

## APPLICATION LINK

### Economic Injury Disaster Loan (EIDL)

<https://covid19relief.sba.gov/#/>

### Paycheck Protection Program (PPP)

<https://www.sba.gov/document/sba-form--paycheck-protection-program-borrower-application-form>